
UNIT 7. MANAGING ORGANIZATIONAL CHANGE AND STRESS

Content:

7.0. Introduction

7.1. Objectives

7.2. Managing organizational change and development

7.2.1. Forces of change

7.2.2. Managing Planned Change

7.2.2.1.. What are the goals of planned change?

7.2.2.2. What Can Change Agents Change?

7.2.3. Resistance to Change

7.2.3.1. Individual Resistance

7.2.3.2. Organizational Resistance

7.2.3.3. Overcoming Resistance to Change

7.2.4. The politics of Change

7.2.5. Approaches to Managing Organizational Change

7.2.6. Organizational Development

7.2.6.1. OD Values

7.2.6.2. OD interventions

7.3. Stress and its management

7.3.1. Experience of stress

7.3.2.. Causes of stress

7.3.3. Consequences of stress

7.3.4. Managing Stress

7.4. Checklist

7.5. Summary

7.6. Check your progress questions

7.7. Answers to check your progress questions

7.0. Introduction

This unit is about change and stress. You will learn environmental forces that are requiring managers to implement comprehensive change programs. You will also study why people and organizations often resist change and how this resistance can overcome. Various ways of managing organizational change is also described in this unit. Then you will move to the topic of stress. In this part of the material you will study the causes of stress, consequences of stress and approaches of managing stress. Most people consider stress as having a negative impact. But stress is not necessary bold in and of it self. It is an opportunity when it offers potential gain.

Workplace related stress is now considered an epidemic in the workplace. Studies show that a large majority of employees & organizations regardless of their nature experience workplace stress. This costs organizations and the nation at large a great deal of money partner in lower productivity and higher absenteeism, turnover, alcoholism, and medical costs.

Chronic work-related stress is not just a problem of one nation, though it is serious in developed countries, it also affects all nations including our country and organization operating in the country. Therefore, in this unit we look at the dynamic of work - related stress and how to manage it.

7. 1. Objectives:

After reading this unit, you should be able to:

- Describe forces that act as stimulants to change
- Discus individual and organizational resistance to change

- Explain the value underlying most OD efforts
- Identify different types of stressors (causes of stress) in the workplace
- Explain the effect of stress
- Identify the common ways to manage workplace stress

7.2. Managing organizational change and development

Overview:

Today's business environment is changing so rapidly that it leaves everyone breathless. The velocity of change is so rapid, so quick that requires firms to accept the change and move with change in order to not to left behind. Work related stress, which may arise because of the dynamic change in the environment or other factors, is now considered an epidemic in the work place. In this unit, you will study the ways to bring about meaningful change in organizations and the dynamics of work related stress and how to manage it.

Objective:

After reading this section you should be able to;

- ✓ *Outline the forces of change*
- ✓ *Describe the goals of planned change*
- ✓ *Understand the roles/activities of change agents*
- ✓ *Identify the types of resistance to change*
- ✓ *Understand the reasons why individuals and organizations resist change*
- ✓ *Describe way through which change agents overcome resistance to change*

7.2.1. Forces for Change

More and more organizations today face a dynamic and changing environment. This, in turn, requires these organizations to adapt. “Change or die” is the rallying cry among today’s managers worldwide. We can generally summarize six specific forces that are acting as stimulants for change listed down in the table below.

Force

Examples	Nature of the work force
	More cultural diversify
	Increase in professionals
	Many new entrants with inadequate skills
Technology	More computers and automation TQM Programs Reengineering programs
Economic shocks	Security marker crashes Interest rate fluctuations Foreign currency fluctuation
Competition	Global competitors Mergers and consolidations Growth of specialty retailers
Social trends	Increase in college attendance Delayed marriages by young people Increase in divorce rate
World politics	Collapse of Soviet Union Iraq's invasion of Kuwait Overthrow of Haitian dictator

Table 1. Forces for change

One very important stimulant of change is the ***nature of the work force***. For instance, almost every organization has to adjust to a multicultural environment. Human resource policies and practices have to change in order to attract and keep this more diverse work force. And many companies are having to spend large amounts of money on training to upgrade reading, math, computer, and other skills of employees.

On the other hand, **technology** is changing jobs and organizations. The substitution of computer control for direct supervision for instance is resulting in wider spans of control for managers and flatter organizations. Sophisticated information technology is also making organizations more responsive. Large number of companies can now develop, make and distribute their products in a fraction of the time it took them a decade ago. And, as organizations have had to become more adaptable, so too have their employees. This time many jobs are being reshaped. Individuals doing narrow specialized and routine jobs are being replaced by work teams whose members can perform multiple tasks and actively participate in team decisions.

We live in an “age of discontinuity” In the 1960s, the past was a fairly good prologue to the future. Tomorrow was essentially an extended trend line from yesterday. That’s no longer true. Beginning in the early 1970s, with the overnight quadrupling of world oil prices **economic shocks** have continued to impose changes on organizations.

Competition is changing. The global economy means competitors are as likely to come from across the ocean as from across town. Heightened competition also means established organizations need to defend themselves against both traditional competitors who develop new products and services and small entrepreneurial firms with innovative offerings. Successful organizations will be the ones that can change in response to the competition. They’ll be fast on their feet, capable of developing new products rapidly and getting them to market quickly they’ll rely on short production runs short product cycles and an ongoing stream of new products. In other words they’ll be flexible. They will require an equally flexible and responsive work force that can adapt to rapidly and even radically changing conditions.

The ***social trends*** have also a stimulating factor for organizational change. Because the demography, educational level, and other factors are changing demanding organizations change their products, marketing practice and their relationship with their customers.

While business schools have been preaching a global perspective for OB since the early 1990s, no one -not even the strongest proponents of globalization - could have imagined how ***world politics*** would change in recent years. The several changes in the environment have forced companies to rethink their business and make serious changes in response these changes.

7.2.2. Managing Planned Change

In this section we want to clarify what we mean by planned change describe its goals, contrast first order and second-order change and consider who is responsible for bringing about planned change in an organization.

Some organizations treat all changes as an accidental occurrence. However, we're concerned with change activities that are proactive and purposeful. In this unit we address change as an intentional goal-oriented activity.

7.2.2.1. What are the goals of planned change?

Essentially there are two. First it seeks to improve the ability of the organization to adapt to changes in its environment. Second, it seeks to change employee behavior.

If an organization is to survive, it must respond to changes in its environment. When competitors introduce new products or services, government agencies enact new laws, important sources of supply go out of business, or similar environmental changes take place the organization needs to adapt. As you'll see in the rest of this unit efforts to stimulate innovation, empower employees and introduce work teams are examples of planned change activities directed at responding to changes in the environment.

Since an organization's success or failure is essentially due to the things its employees do or fail to do, planned change also is concerned with changing the behavior of individuals and groups within the organization. In this unit, we review a number of techniques that organizations can use to get people to behave differently in the tasks they perform and in their interactions with others.

It also helps to think of planned change in terms of order of magnitude. **First-order change** is linear and continuous. It implies no fundamental shifts in the assumptions that organizational members hold about the world or how the organization can improve its functioning. In contrast, **second-order change** is a multidimensional multilevel discontinuous radical change involving reframing of assumptions about the organization and the world in which it operates.

Who in organizations is responsible for managing change activities? The answer is **change agents**. Change agents can be managers or non-managers, employees of the organization or outside consultants. Typically we look to senior executives as agents of change.

For major change efforts top managers are increasingly turning to temporary outside consultants with specialized knowledge in the theory and methods of change. Consultant change agents can offer a more objective perspective than insiders can. However they are disadvantaged in that they often have an inadequate understanding of the organization's history, culture, operating procedures and personnel. Outside consultants are also more willing to initiate second-order changes - which can be a benefit or a disadvantage - because they don't have to live with the repercussions. In contrast internal staff specialists or managers, especially those who've spent many years with the organization, are often more cautious because they fear offending long term friends and associates

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7.2.2.2. What Can Change Agents Change?

What can a change agent change? The options essentially fall in to four categories: structure, technology, physical setting and people. Changing structure involves making an alteration in authority relations, coordination mechanisms, job redesign, or similar structural variables. Changing technology encompasses modifications in the way work is processed and in the methods and equipment used. Changing the *physical setting* covers altering the space and layout arrangements in the workplace. Changing *people* refers to changes in employee attitudes, skills, expectations, perceptions and/or behavior.

1. Changing structure

It is believed that you are familiar with structural issues such as work specialization, span of control and various organizational designs. But organizational structures are not set in concrete. Changing conditions demand structural changes. As a result the change agent might need to modify the organization's structure.

An organization's structure is defined as how tasks are formally divided, grouped and coordinated. Change agents can alter one or more of the key elements in an organization's design. For instance, departmental responsibilities can be combined, vertical layers removed, and spans of control widened to make the organization flatter and less bureaucratic. More rules and procedures can be implemented to increase standardization. An increase in decentralization can be made to speed up the decision-making process.

Change agents can also introduce major modifications in the actual structural design. This might include a shift from a simple structure to a team-based structure or the creation of a matrix design. Change agents might consider redesigning jobs or work schedules. Job descriptions can be redefined, jobs enriched, or flexible work hours introduced. Still another option is to modify the organization's compensation system. Motivation could be increased by for example introducing performance bonuses or profit sharing.

2. Changing Technology

Most of the early studies in management and organizational behavior dealt with efforts aimed at technological change. At the turn of the century for example, scientific management sought to implement changes based on time and motion studies that would increase production efficiency. Today major technological changes usually involve the introduction of new equipment tools or methods; automation; or computerization.

Competitive factors or innovations within an industry often require change agents to introduce new equipment tools or operating methods. For example many aluminum companies have significantly modernized their plants in recent years to compete more effectively.

More efficient handling equipment furnaces and presses have been installed to reduce the cost of manufacturing a ton of aluminum.

The most visible technological change in recent years has been expanding is computerization. Many organizations now have sophisticated management information systems. Large supermarkets have converted their cash registers in to in put terminals and linked them to computers to provide instant inventory data.

3. Changing the physical Setting

The layout of work space should not be a random activity. Typically management thoughtfully considers work demands formal interaction requirements and social needs when making decisions about space configuration interior design equipment placement and the like.

For example by eliminating walls and partitions and opening up an office design, it becomes easier for employees to communicate with each other. Similarly management can change the quantity and types of lights, the level of heat or cold, the levels and types of noise and the cleanliness of the work area as well as interior design dimensions like furniture decorations and color schemes.

The evidence indicates that change in the physical setting in and of itself doesn't have a substantial impact on organizational or individual performance. But it can make certain employee behaviors easier or harder to perform. In this way employee and organizational performance may be enhanced or reduced.

4. Changing People

The final area in which change agents operate is in helping individuals and groups within the organization to work more effectively together. This category typically involves changing the attitudes and behaviors

of organizational members through processes of communication, decision making and problem solving. As you'll see near the end of this chapter the concept of organizational development has come to encompass an array of interventions that are designed to change people and the nature and quality of their work relationships. We review these people-changing interventions in our discussion of organizational development.

7.2.3. Resistance to Change

One of the most well-documented findings from studies of individual and organizational behavior is that organizations and their members resist change. In a sense, this is positive. It provides a degree of stability and predictability to behavior. If there weren't some resistance, organizational behavior would take on characteristics of chaotic randomness. Resistance to change can also be a source of functional conflict. For example, resistance to a reorganization plan of a change in a product line can stimulate a healthy debate over the merits of the idea and result in a better decision. But there is a definite downside to resistance to change. It hinders adaptation and progress.

Resistance to change doesn't necessarily surface in standardized ways. Resistance can be ***overt, implicit, immediate or deferred***. It is easiest for management to deal with resistance when it is overt and immediate. For instance a change is proposed and employees quickly respond by voicing complaints, engaging in a work slowdown threatening to go on strike or the like. The greater challenge is managing resistance that is implicit or deferred. *Implicit resistance* efforts are more subtle- loss of loyalty to the organization, loss of

motivation to work increased errors or mistakes, increased absenteeism due to 'sickness' - and hence more difficult to recognize. Similarly deferred actions cloud the link between the source of the resistance and the reaction to it. A change may produce what appears to be only a minimal reaction at the time it is initiated but then resistance surfaces weeks, months, or even years later. Or a single change that in and of itself might have little impact becomes the straw that breaks the camel's back. Reactions to change can build up and then explode in some response that seems to tally out of proportion to the change action it follows. The resistance of course has merely been deferred and stockpiled. What surfaces is a response to an accumulation of previous changes.

7.2.3.1. Individual Resistance

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities and needs. The reasons why individuals may resist change are briefly explained as follows.

- i. **Habit.** every time you go out to eat do you try a different restaurant? probably not. If you're like most people you find a couple of places you like and return to them on a some what regular basis.

As human beings, we're creatures of habit. Life is complex enough we don't need to consider the full range of options for the hundreds of decisions we have to make every day. To cope with this complexity we all rely on habits or programmed responses. But when confronted with change this tendency to respond in our accustomed ways becomes a source of resistance. So when your department is moved to a new office building across town it means you're likely to have to

change many habits waking up ten minutes earlier taking a new set of streets to work finding a new parking place adjusting to the new office layout developing a new lunchtime routine and so on.

ii. **Security** People with a high need for security are likely to resist change because it threatens their feeling of safety When sears announces it's laying off 50'000 people or ford introduces new robotic equipment many employees at these firms may fear their jobs are in jeopardy.

iii. **Economic factors.** Another source of individual resistance is concern that changes will lower one's income. Changes in job tasks or established work routines also can arouse economic fears if people are concerned they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.

iv. **Fear of the unknown.** Changes substitute ambiguity and uncertainty for the known. Regardless of how much you may dislike attending college, at least you know what expected of you. But when you leave college and venture out in to the world of full - time employment, regardless of how much you want to get out of college, you have to trade the known for the unknown.

Employees in organizations hold the same dislike for uncertainty. If for example the introduction of TQM means production workers will have to learn statistical process control techniques some may fear they'll be unable to do so they may therefore develop a negative attitude toward TQM or be have dysfunctional if required to use statistical techniques.

v. ***Selective information processing.*** Individuals shape their world through their perceptions. Once they have created this world it resists change. So individuals are guilty of selectively processing information in order to keep their perceptions intact. They hear what they want to hear. They ignore information that challenges the world they've created. To return to the production workers who are faced with the introduction of TQM they may ignore the arguments their bosses make in explaining why knowledge of statistics is necessary or the potential benefits the change will provide them.

7.2.3.2. Organizational Resistance

Organizations by their very nature are conservative. They actively resist change. You don't have to look far to see evidence of this phenomenon. Government agencies want to continue doing what they have been doing for years, whether the need for their service changes or remains the same. Organized religions are deeply entrenched in their history. Attempts to change church doctrine require great persistence and patience. Educational institutions, which exist to open minds and challenge established doctrine, are themselves extremely resistant to change. Most school systems are using essentially the same teaching technologies today as they were 50 years ago. The majority of business firms too appear highly resistant to change.

Six major sources of organizational resistance have been identified. They are:

1. **Structural inertia.** Organizations have built-in mechanisms to produce stability. For example the selection process systematically selects certain people in and certain people out. Training and other socialization techniques reinforce specific role requirements and skills. Formalization provides job descriptions, rules and procedures for employees to follow.

The people who are hired in to an organization are chosen for fit, they are then shaped and directed to behave in certain ways. When an organization is confronted with change this structural inertia acts as a counterbalance to sustain stability.

2. **Limited focus of change.** Organizations are made up of a number of interdependent subsystems You can't change one without affecting the others For example if management changes the technological processes without simultaneously modifying the organization's structure to match the change in technology is not likely to be accepted. So limited changes in subsystems tend to get nullified by the larger system.

3. **Group inertia.** Even if individuals want to change their behavior group norms may act as a constraint. An individual union member, for instance may be willing to accept changes in his job suggested by management But if union norms dictate resisting any unilateral change made by management he's likely to resist.

4. **Threat to expertise.** Changes in organizational patterns may threaten the expertise of specialized groups. The introduction of decentralized personal computers which allow managers to gain access to information directly from a company's mainframe is an example of a change that was strongly resisted by many information systems departments in the early 1980s. Why? Because decentralized end-user computing was a threat to the specialized skills held by those in the centralized information systems departments.

5. **Threat to established power relationships.** Any redistribution of decision making authority can threaten long established power relationships within the organization The introduction of participative decision making or self - managed work

teams is the king of change that is often seen as threatening by supervisors and middle managers.

6. Threat to established resource allocations. Those groups in the organization that control sizable resources often see change as a threat. They tend to be content with the way things are. Will the change for instance mean a reduction in their budgets or a cut in their staff size? Those that most benefit from the current allocation of resources often feel threatened by changes that may affect future allocations.

7.2.3.3. Overcoming Resistance to Change

Six tactics have been suggested for use by change agents in dealing with resistance to change. Let's review them briefly.

- 1. Education and communication.** Resistance can be reduced through communicating with employees to help them see the logic of a change. This tactic basically assumes the source of resistance lies in misinformation or poor communication. If employees receive the full facts and get any misunderstandings cleared up resistance will subside. Communication can be achieved through one-on-one discussions, memos, group presentations or reports. Does it work? It does, provided the source of resistance is inadequate communication and that management-employee relations are characterized by mutual trust and credibility. If these conditions don't exist the change is unlikely to succeed.
- 2. Participation.** It's difficult for individuals to resist a change decision in which they participated prior to making a change. Those opposed can be brought in to the decision process.

Assuming the participants have the expertise to make a meaningful contribution their involvement can reduce resistance obtain commitment and increase the quality of the change decision. However against these advantages are the negatives potential for a poor solution and great time consumption.

3. **Facilitation and support.** Change agents can offer a range of supportive efforts to reduce resistance. When employees' fear and anxiety are high employee counseling and therapy new-skills training or a short paid leave of absence may facilitate adjustment. The drawback of this tactic is that as with the others it is time consuming. Additionally it's expensive and its implementation offers no assurance of success
4. **Negotiation.** Another way for the change agent to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. For instance if the resistance is centered in a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs. Negotiation as a tactic may be necessary when resistance comes from a powerful source. Yet one cannot ignore its potentially high costs. Additionally there is the risk that once a change agent negotiates with one party to avoid resistance he or she is open to the possibility of being blackmailed by other individuals in positions of power.
5. **Manipulation and cooptation.** Manipulation refers to covert influence attempts. Twisting and distorting facts to make them appear more attractive, withholding undesirable information and creating false rumors to get employees to accept a change are all examples of manipulation. If corporate management threatens to close down a particular manufacturing plant if that

plant's employees fail to accept an across the board pay cut and if the threat is actually untrue management is using manipulation. Cooptation however is a form of both manipulation and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change decision the leaders advice is sought not to seek a better decision but to get their endorsement both manipulation and cooptation are relatively inexpensive and easy ways to gain the support of adversaries but the tactics can backfire if the targets become aware they are being tricked or used. Once discovered the change agent's credibility may drop to zero.

6. **Coercion.** Last on the list of tactics is coercion that is the application of direct threats or force on the resisters. If the corporate management mentioned in the previous discussion really is determined to close a manufacturing plant if employees don't acquiesce to a pay cut then coercion would be the label attached to its change tactic. Other examples of coercion are threats of transfer, loss of promotions, negative performance evaluations and a poor letter of recommendation. The advantages and drawbacks of coercion are approximately the same as those mentioned for manipulation and cooptation.

7.2.4. The politics of Change

No discussion of resistance to change would be complete without a brief mention of the politics of change. Because change invariably threatens the status quo, it inherently implies political activity.

Internal change agents typically are individuals high in the organization who have a lot to lose from change. They have in fact, risen to their positions of authority by developing skills and behavioral

patterns that are favored by the organization Change is a threat to those skills and patterns What if they are no longer the ones the organization values? This creates the potential for others in the organization to gain power at their expense.

Politics suggests that the impetus for change is more likely to come from individuals who are new to the organization (and have less invested in the status quo) or from executives slightly removed from the main power structure Those managers who have spent their entire careers with a shingle organization and eventually achieve a senior position in the hierarchy are often major impediments to change, change itself is a very real threat to their status and position. Yet they may be expected to implement changes to demonstrate they're

Not merely caretakers. By acting as change agents they can symbolically convey to various constituencies —stockholders suppliers employees customers---that they are on

Power struggles within the organization will determine to a large degree the speed and quantity of change You should expect that long time career executives will be sources of resistance This incidentally explains why boards of directors who recognize the imperative for the rapid introduction of second order change in their organizations frequently turn to outside candidates for new leadership.

7.2.5. Approaches to Managing Organizational Change

Action Research

Though there are a large number of approaches to managing organizational change, here action research is discussed. Action research refers to a change process based on systematic collection of data and then selection of a change action based on what the analyzed data indicates. Its importance lies in providing a scientific methodology for managing planned change.

The process of action research consists of five steps: diagnosis, analysis, feedback, action and evaluation. You'll note that these steps closely parallel the scientific method.

1. **Diagnosis.** The change agent often an outside consultant in action research begins information about problems concerns and needed changes from members of the organization. This diagnosis is analogous to the physician's search to find what specifically ails a patient. In action research the change agent asks questions, interviews employees, reviews records and listens to the concerns of employees.
2. **Analysis.** The information gathered during the diagnostic stage is then analyzed: what problems do people key in on? what patterns do these problems seem to take? The change agent synthesizes this information into primary concerns, problem areas and possible actions.
3. **Feedback.** Action research includes extensive involvement of the change targets. That is, the people who will be involved in any change program must be actively involved in determining what the problem is and participating in creating the solution.

So the third step is sharing with employees what has been found from step 1 and 2 the employees with the help of the change agent develop action plans for bringing about any needed change.

4. **Action.** Now the 'action' part of action research is set in motion. The employees and the change agent carry out the specific actions to correct the problems that have been identified.
5. **Evaluation.** Finally, consistent with the scientific underpinnings of action research the change agent evaluates the effectiveness of the action plans. Using the initial data gathered as points of reference any subsequent changes can be compared and evaluated

Action research provides at least two specific benefits for an organization. First it's problem focused the change agent objectively looks for problems and the type of problem determines the type of change action while this may seem intuitively obvious a lot of change activities aren't done this way Rather they're solution centered The change agent has a favorite solution- for example implementing flextime team or a management by objectives program—and then seeks out problems his or her solution fits. Second because action research so heavily involves employees in the process resistance to change is reduced. In fact once employees have actively participated in the feedback stage the change process typically takes on a momentum of its own. The employees and groups that have been involved become an internal source of sustained pressure to bring about the change.

7.2.6. Organizational Development

No discussion of managing change would be complete without inclusion of organizational development. Organizational development (OD) is not an easily definable single concept. Rather it's a term used to encompass a collection of planned-change interventions built on humanistic democratic values that seek to improve organizational effectiveness and employee well-being.

7.2.6.1. OD Values

The OD paradigm values human and organizational growth collaborative and participative processes and a spirit of inquiry. The change agent may be directive in OD, however there is a strong emphasis on collaboration. Concepts such as power authority control conflict and coercion are held in relatively low esteem among OD change agents. The following briefly identifies the underlying values in most OD efforts.

1. **Respect for people.** Individuals are perceived as being responsible conscientious and caring. They should be treated with dignity and respect.
2. **Trust and support.** The effective and healthy organization is characterized by trust authenticity openness and a supportive climate.
3. **Power equalization.** Effective organizations deemphasize hierarchical authority and control.
4. **Confrontation problems** shouldn't be swept under the rug; they should be openly confronted.
5. **Participation.** The more that people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing those decisions.

7.2.6.2. OD Interventions

The following are the five interventions that change agents might consider using.

- I. **Sensitivity Training.** It can go by a variety of names—laboratory training Sensitivity training encounter groups or T-Groups (training groups) but all refer to a method of changing behavior through unstructured group interaction Members are brought together in a free and open environment in which participants discuss themselves and their interactive processes loosely directed by a professional behavioral scientist The group is process oriented which means individuals learn through observing and participating rather than being told The professional creates the opportunity for participants to express their ideas, beliefs, and attitudes He or she does not accept—in fact overtly rejects—any leadership role.
- II. **Survey Feedback.** One tool for assessing attitudes held by organizational members identifying discrepancies among member perceptions and solving these differences is the survey feedback approach.

Everyone in an organization can participate in survey feedback but of key importance is the organizational family the manager of any given unit and those employees who report directly to him or her. A questionnaire is usually completed by all members in the organization or unit Organization members may be asked to suggest questions or may be interviewed to determine what issues are relevant. The questionnaire typically asks members for their perceptions and attitudes on a broad range of topics including decision making

practices, communication effectiveness coordination between units and satisfaction with the organization job peers and their immediate supervisor.

III. **Process Consultation** No. organization operates perfectly. Managers often sense their unit's performance can be improved but they are unable to identify what can be improved and how it can be improved The purpose of process consultation is for an outside consultant to assist a client usually a manager 'to perceive, understand and act upon process events' With which he or she must deal. These might include work flow informal relationships among unit members and formal communication channels.

Importantly the process consultant need not be an expert in solving the particular problem that is identified the consultant's expertise lies in diagnosis and developing a helping relationship. If the specific problem uncovered requires technical knowledge outside the client and consultant's expertise the consultant helps the client to locate such an expert ant then instructs the client in how to get the most out of this expert resource.

IV. **Team Building.** As we've noted in numerous places throughout this book, organizations are increasingly relying on teams to accomplish work tasks. Team building utilizes high interaction group activities to increase trust and openness among team members.

Team building is applicable to the case of interdependence such as in football the objectives are to improve coordinative efforts of members that will result in increasing the team's performance.

The activities considered in team building typically include goal setting development of interpersonal relations among team members role analysis to clarify each member's role and responsibilities and team process analysis of course team building may emphasize or exclude certain activities depending on the purpose of the development effort and the specific problems with which the team is confronted. Basically however team building attempts to use high interaction among members to increase trust and openness.

It may be beneficial to begin by having members attempt to define the goals and priorities of the team. This will bring to the surface different perceptions of what the team's purpose may be Following this members can evaluate the team's performance—how effective are they in structuring priorities and achieving their goals? This should identify potential problem areas. This self critique discussion of means and ends can be done with members of the total team present or, where large size impinges on a free interchange of views may initially take place in smaller groups followed up by the sharing of their findings with the total team.

Still another team-building activity can be similar to that performed by the process consultant, that is, to analyze key processes that go on within the team to identify the way work is performed and how these processes might be improved to make the team more effective.

V. Inter-group Development. A major area of concern in OD is the dysfunctional conflict that exists between groups. As a result this has been a subject to which change efforts have been directed.

Inter-group development seeks to change the attitudes stereotypes and perceptions that groups have of each other. For example in one

company the engineers saw the accounting department as composed of shy and conservative types and the human resources department as having a bunch of 'ultraliberals who are more concerned. That some protected group of employees might get their feelings hurt than with the company making a profit 'such stereotypes can have an obvious negative impact on the coordinative efforts between the departments.

Although there are several approaches for improving inter-group relations a popular method emphasizes problem solving. In this method each group meets independently to develop lists of its perception of itself the other group and how it believes the other group perceives it the groups then share their lists after which similarities and differences are discussed. Differences are clearly articulated and the groups look for the causes of the disparities

Learning activity 7.1

1. "Change is always bad and should be avoided" do you agree/ Why or why not?

2. What are the forces of change?

3. Why individuals and organizations resist change?

4. Identify tactics that can be used to overcome resistance to change.

7.3. Work stress and its management

Learning objective:

After reading this section you will be able to;

- ✓ *Define work related stress*
- ✓ *Understand the source/causes of work stress*
- ✓ *Understand how to manage work stress*

7.3.1. Definitions:

Stress has been defined by different authors differently. However, the meaning is the same. Some of these definitions are:

- i. "Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the out come is perceived to be both uncertain and important." (Robbins, Stephen ,1998)
- ii. "Stress is the unconscious preparation to fight or flee that a person experiences when faced with any demand." (Nelson, Debra L. & James Cambell Quick, 1997)
- iii. "Stress is an adoptive response, mediated by individual difference and/or psychological processes, that is a consequence of any external (environmental) action, situation, or event that places excessive psychological and/or physical demands on a person." (Ivanceevich, John M. & Michael T. Matheson, 1990)

- iv. “Stress is an adaptive response to a situation that is perceived as challenging or threatening to the person’s well-being” (S. Mc Shane PP: 134)

From the definition we can infer that stress is the person’s reaction to a situation, not the situation itself. Moreover, we experience stress when we believe that something will interfere with our need fulfillment. Stress has both psychological & physiological dimensions. Psychologically, people perceive a situation & interpret it as challenging or threatening. This cognitive appraisal leads to a set of physiological responses, such as higher blood pressure, sweaty hands, and faster heart beat.

- v. Stress is the discomfort of individual emotional disequilibria. In a wider sense, stress is discomfort whether it creates problem or not.

Stress has both negative and positive outcomes. We often hear about stress as a negative consequence of modern living. People are stressed from overwork, job insecurity, information overload, and the increasing pace of life. These events produce **distress**-the degree of physiological, psychological and behavioral deviation from healthy functioning. There is also a positive side of stress, called **eustress** that refers to the healthy, positive constructive outcome of stressful events and the stress response. In this sense stress is a source of deep inspiration to work which leads to action and become successful in their lives. In other words we need some stress to survive however, most research focuses on distress, because it is a significant concern in organizational settings. Consequently, the focus of this unit will be more on distress than eustress.

7.3.2. Experiences of stress

Hans Selye, a pioneer in stress research determined that people have a fairly consistent physiological response to stressful situations. This response, called the general adaptation syndrome, provides an automatic defense system to help us cope with environmental demands. The figure below illustrates the three stages of the general adaptation syndrome: **alarm, resistance, and exhaustion**. The line in this figure shows the individual's energy and ability to cope with the stressful situation.

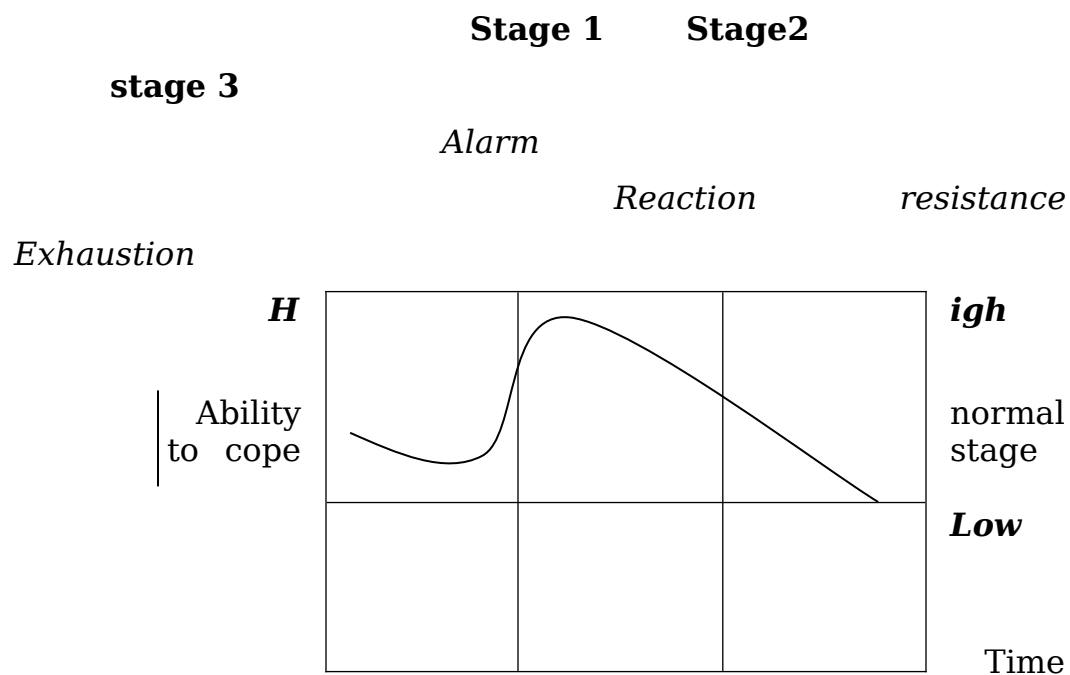


Fig 1. Selye's general

adaptation syndrome

- Alarm reaction-** in the alarm reaction stage, the perception of a threatening or challenging situation causes the brain to send a biochemical message to various parts of body, resulting in increased respiration rate, blood pressure, heartbeat, muscle tension, and other physiological responses. The individual's energy level and coping effectiveness immediately decreases in response to the initial shock.
- Resistance** - the person's ability to cope with the environmental demands rises above the normal state during the

resistance stage because the body has activated various biochemicals, psychological, and behavioral mechanisms.

- c) **Exhaustion** – people have a limited resistance capacity and, if the source of stress persists, they will eventually move in to the exhaustion stage as this capacity diminishes. In most work situations, the general adaptation syndrome, ends long before total exhaustion. Employees resolve tense situations before the destructive consequences of stress become manifest, or they withdraw from the stressful environment with renewed energy. However, people who frequently experience the general adaptation syndrome have increased risk of long -term physiological & psychological damage.

7.3.3. Potential sources /Causes of Stress

As the model given below shows, stressors, the causes of stress, include any environmental conditions that place a physical or emotional demand on the person.

People move through many different contexts: work, family, school, social activities, etc. each has its own stresses and strains. It is not always possible to keep the stress form one area of life totally separate from the other areas. A conflict at home can easily be displayed on an employee at work, and vice versa. Therefore, whatever the source of stress, its effects are often played out in other contexts.

Nevertheless, as a manager, one won't be in a position or have the responsibility to deal with an employee's home life, even if problems sometimes spill over into the workplace. But understanding the source of employees stress will help the manager to make the employees organize and carryout their jobs in ways that minimize unnecessary stress.

There are numerous stressors in organizational settings and other life activities. The following figure shows the four main types of work related stressors: physical environment, role-related, interpersonal, and organizational stressors.

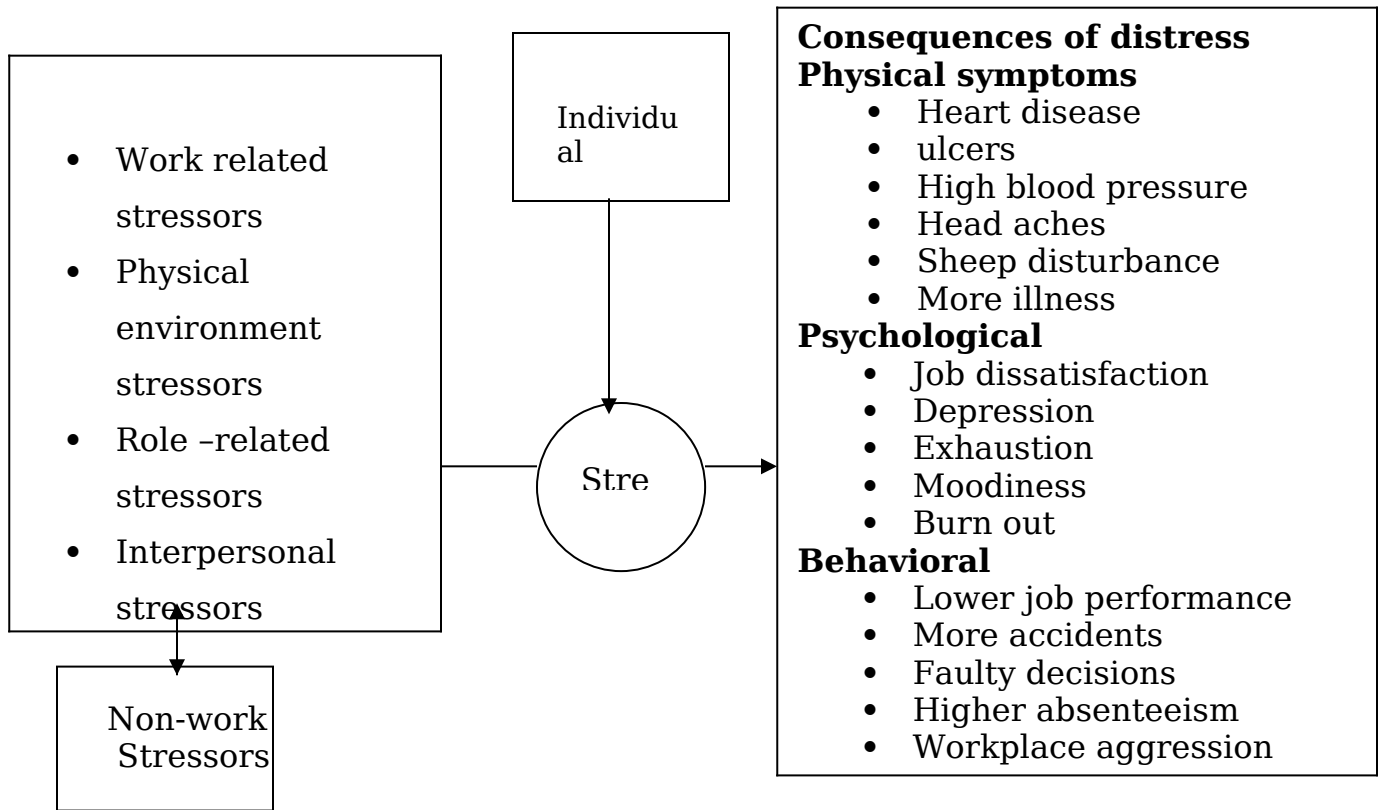


Fig 2. Causes & consequences

of stress

1. Physical environment stressors

Some stressors are found in the physical work environment, such as excessive noise, poor lighting and safety hazards. In addition to these & other physical stressors, economic uncertainty, political uncertainty, and technological uncertainty are also the three different environmental factors that lead to stress.

- ★ Economic uncertainty- is usually created by change in the business cycle.

- ★ Political uncertainty -usually occurs in countries that have no political stability.
- ★ Technological uncertainty- is a third type of environmental factor that can cause stress. Because new innovations can make an employee's skills and experience obsolete in a very short period of time. For example, computers, robotics, automation and similar forms of technological innovations are a threat to many people and cause them stress.

Physical stressors are also becoming apparent in office settings, including poorly designed office space, lack of privacy, inefficient lighting and poor air quality.

2. Organizational Factors

There are a lot of factors that can cause stress within an organization. Pressures to avoid errors or complete tasks in a limited time period, work over load, a demanding or insensitive boss and unpleasant co-workers are a few examples. These causes are categorized as follows:

1. **Task demands**- are factors related to a person's job. Change and lack of control are two of the most stressful demands people face off work. Change leads to uncertainty, a lack of predictability in person's daily tasks and activities, may be caused by job insecurity related to difficult economic times. Lack of control is a second major source of stress, which is caused by inability to influence the timing of tasks and activities, to select tools or methods for accomplishing the work, to make decisions that influence work outcomes, or to exercise direct action to affect the work outcomes. New technologies also create both career stress and "techno stress" for people at work

who wonder if they will be replaced by “smart” machines. Besides both work over load and under load also create stress on the worker.

2. **Role demand**- release to pressures placed on a person as a function of the particular role he or she plays in the organization. People encounter two major categories of role stress at work: role conflict and role ambiguity. Role conflicts create expectations that may be hard to reconcile or satisfy. Role ambiguity is the confusion a person experiences related to the expectations of others. it is caused by not understanding what is expected: not knowing how to do it: or not knowing the result of failure to do it.
3. **Interpersonal Demands**- are pressures created by other employees. Lack of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with high social needs. Interpersonal stressors will likely become increasingly common as the work-force becomes more diverse and as organizations rely more on teams than individuals working alone to perform the work.
4. **Organizational structure**- defines the level of differentiation in the organization, the degree of rules and regulations, and where decisions are made. Excessive rules and lack of participation in decisions that affect an employee are examples of structural variables that might be potential sources of stress.
5. **Organizational leadership**- the leadership styles in organizations, whether authoritarian or participative, creates stress for different personality. Employees who feel comfortable with participatory leadership may feel restrained by a directive style.

3. Individual Factors

Individual stressors/factors are non-work demand create stress for people, which may carry over into the work environment or vice versa. These factors include family issues, personal economic problems, and inherent personality characteristics.

Stressors evoke different responses from different people. Some individuals are better able to cope with a stressor than others. the same stressful events may lead to distress for one person and to excitement and healthy results for another person.

There are various factors which moderate between stressors and stress. A moderator is a condition, behavior, or characteristic that qualifies the relationship between two variables" (Ivancevich 1990:230). According to the above explanation the individual personality may moderate or affect the extent of stress experienced by a person due to some stressor. There are at least five variables (Moderators):- perception, job experience, social support, belief in locus of control and hostility.

1. **Perception-** " employees react in response to their perception of reality rather than to reality itself. Perception, therefore, will moderate the relationship between a potential stress condition and an employee's reaction to it (M. Fein 1973:50). What one employee perceives as a challenging job may be viewed as threatening and demanding by others. so the stress potential is environmental, organizational, and individual factors doesn't lie in their objective condition.
2. **Job experience-** experience is said to be a great teacher. It can also be a great stress reducer. Experience on the job tends to be negatively related to work stress, i.e. as the employees become

- experienced the extent of work stress will decrease. One reason for this is people eventually develop coping mechanisms to deal with stress.
3. ***Social support***- “ it is the comfort assistance, or information one receives through formal or informal contacts with individuals or groups.” (Wallston, Barbara S. & et. Al, 1983). Evidence shows that collegial relationships with co-workers or supervisors can buffer the impact of stress. The logic underlying this moderating variable is that social support acts as a palliative, mitigating the negative effects of even high strain jobs.
 4. ***Belief in Locus of control***- locus of control is a personality characteristic that describes a person’s perception of his/her fate. Those with an internal locus of control believe they control their own destiny. Those with an external locus believe their lives are controlled by outside forces. Evidence indicates that internals perceive their jobs to be less stressful than do externals rather than doing something to reduce stress they acquiesce.
 5. ***Type A behavior pattern***- it is a complex of personality and behavioral characteristics, including competitiveness, time urgency, social status insecurity, aggression, hostility, and a quest for achievement.

7.3.4. Consequences of Stress

Not all the consequences of stress are bad or destructive. Some effects are positive, such as self-motivation, stimulation to work harder increased inspiration to live a better life. These healthy, normal consequences of stress are called *enstress*. However, many effects of stress are disruptive and potentially dangerous. For instance, an individual who is experiencing high level of stress may

develop high blood pressure, ulcers, irritability, difficulty in making routine decision. Loss of appetite, accident proneness, and the like. These can be subsumed under three general categories: physiological, psychological and behavioral effects.

- ★ **Physiological effects**- increase heart and breathing rates, increase blood pressure, headaches, heart attack, etc.....

- ★ **Psychological effects**- stress can cause dissatisfaction. Job related stress can cause job dissatisfaction. Stress also shows itself in other psychological states- for instance, tension, anxiety, irritability, boredom, etc. it is discovered that when people are placed in jobs that make multiple and conflicting demands or in which there is a lack of clarity in the incumbent's duties, authority, and responsibilities, both stress and dissatisfaction are increased.

- ★ **Behavioral effects**- this includes changes in productivity, absence, and turnover, as well as changes in eating habits, increase smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.

7.3.5. Managing Stress

From the organization's standpoint, management may not be concerned when employees experience low to moderate levels of stress. The reason is that such levels of stresses may be functional and lead to higher employee performance. But high levels of stress, or even low levels which sustained over long periods of time, can lead to reduce employee performance; and this, require action by management. The two approaches used in managing stress are:- individual approach and organizational approach.

1. Individual approach

It focuses on how the person can manage stress before it becomes a problem. Individual strategies that have proven effective can be of primary, secondary or tertiary in nature. The primary prevention activities include learned. Optimism, time management and leisure time activities. The secondary prevention activities involve physical exercise, relaxation, and diet. Tertiary prevention activities include opening up and professional help.

A brief explanation of individual preventive stress management is given in the following table.

Table 1. Individual preventive stress management

Primary Prevention	
Learned Optimism:	Alters the person's internal self talks and reduces depression.
Time Management	Improves planning
Leisure time activities:	Balance work and non-work activities
Secondary prevention	
Physical exercise:	Improves cardiovascular function and muscular flexibility.
Relaxation training	Lowers all indicators or the stress response.
Diet:	Lowers the risk of cardiovascular disease improves overall physical health.
Tertiary prevention	
Opening up:	Releases internalized traumas and emotional tensions.
Professional help:	Provides information, emotional support, and therapeutic guidance

(Source: Nelso, Debral. & James Comball Quick, 1997)

2. Organizational Approach

Several of the factors that cause stress particularly task and role demands. And organizational structures are controlled by management. As such, they can be modified or changed. Strategies that management might want to consider include improved personnel selection and job placement, use of realistic goal setting. Redesigning of jobs, increased employee involvement, improved organizational communication and establishment of corporate wellness programs.

- ★ Selection and placement considers the response difference of individuals to stress situations. For example, individuals with little experience or an external locus of control tend to be more prone to stress. So these have to be replaced based on the condition of the work.
- ★ Goal setting- individuals perform better when they have specific and challenging goals. Goals can reduce stress as well as provide motivation. Redesigning jobs- to give employees more responsibility. More meaningful work, more autonomy, and increased feed back can reduce stress because these factors give the employee greater control over work activities and lessen dependence on others.
- ★ Increase organizational communication with employees reduces uncertainty by lessening role ambiguity and role conflict. Management can also use effective communications as a means to shape employee perceptions.
- ★ Wellness programs- are organizationally supported programs that focus on the employee's total physical and mental condition (work life).

3. Remove the stressor

The following figure identifies several stress management strategies, but some writers argue that the only way companies can effectively manage stress is by removing the stressors that cause unnecessary tension and job burnout. Other stress management strategies may keep employees “stress-fit” but they don’t solve the fundamental cause of stress.

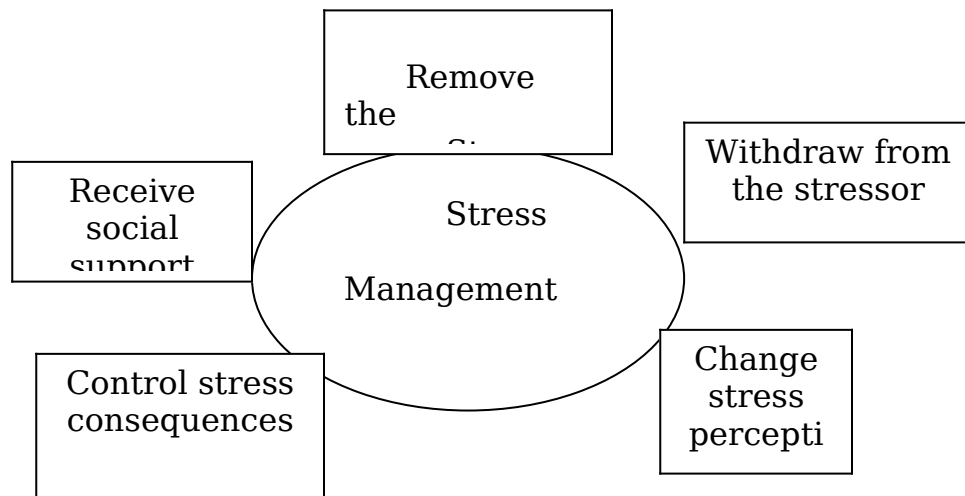


Fig 4. Stress management strategies

There are many ways to remove stressors in the work place. One of the best solution is to empower employees so that they have more control over their work and work environment. Task- related stressors can be minimized through more effective selection & placement of employees so that their competencies are compatible with your requirements. Noise & safety risks are stressful, so improving these conditions would also go a long way to minimize stress in the workplace.

Learning activity 7.2

1. Discuss approaches to managing work related stress.

2. List down the causes of stress (individual, organizational and environmental factors)

7.4. Checklist

Dear student: below are some of the important points extracted from the unit you have been reading. Please put a tick mark in front of the points for those you have understand well and if there are pints you have not understand yet, go back and read the unit till you understand it well.

I can

- ☐ Identify the forces of change
- ☐ Identify the reasons for resistance to change at an individual and organizational level
- ☐ Describe techniques of managing/overcoming resistance to change
- ☐ Define work related stress
- ☐ List the causes of work related stress
- ☐ Describe approaches to managing stress

7.5. Summary and Implications for Managers

Think about leadership, motivation, organizational environment and roles. It is impossible to think about these and other concepts without inquiring about change’.

If environments were perfectly static if employees skills and abilities were always up to date and incapable of deteriorating and if tomorrow was always exactly the same as today organizational change would have little or no relevance to managers. But the real world is turbulent requiring organizations and their members to undergo dynamic change if they are to perform at competitive levels.

Managers are the primary change agent players in most organizations. By the decisions they make and their role modeling behaviors they shape the organization's change culture. For instance management decisions related to structural design cultural factors and human resource policies largely determine the level of innovation within the organization. Similarly management decisions, policies and practices determine the degree to which the organization learns and adapts to changing environmental factors.

Stress is a dynamic condition in which an individual is confronted with opportunity, constraint, or demand related to what he/she desires and for which the outcomes is perceived to be both uncertain and important.

There are three categories of potential stressors: environmental, organizational and individual.

The existence of work stress, in and of itself, need not imply lower performance. The evidence indicates that stress can be either positive or a negative influence on employee performance. For many people, low or moderate amounts of stress enable them to perform their jobs better, by increasing their work intensity, alertness, and ability to react. However, a high level of stress eventually takes its toll, and performance declines. The impact of stress on job satisfaction is

straightforward. Job related tension tends to decrease general job satisfaction.

7.6. Check your progress questions

1. What causes organizational change?
2. How it is possible for organizations to overcome resistance to change?
3. Identify and briefly discuss the sources of work related stress.
4. How it is possible to manage the stress?

7.7. Answers to check your progress

1. the major stimulants of organizational change in this dynamic environment are:
 - a. workforce diversity
 - b. advancement in technology
 - c. economic changes
 - d. dynamism of competition
 - e. change in social trend and
 - f. world politics
2. Six tactics have been suggested for use by change agents in dealing with resistance to change.
 - i. Education and communication
 - ii. Participation
 - iii. Facilitation and support
 - iv. Negotiation
 - v. Manipulation and cooptation and
 - vi. Coercion.
3. There are numerous stressors in organizational settings. The following are the four main types of work related stressors: *physical environment, role-related, interpersonal, and organizational stressors. (for reading refer section 7.8.5)*